



# ENERGY ASSURANCE DAILY

Monday Evening, September 10, 2007

## ***Electricity***

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### **SCE Fights for Transmission Line between Southern California and Arizona**

The plan put forth by Southern California Edison proposes a 230-mile transmission line linking high demand in Southern California with supply in Arizona. The plan has come under criticism from the Arizona Corporation Commission and will not move forward until the issue is litigated next year.

<http://www.topix.net/content/ap/2007/09/california-utility-presses-for-new-electricity-link-with-arizona>

### **CAISO Criticizes SDG&E's Use of Excessive Warnings**

The California Independent Service Operator criticized San Diego Gas and Electric for issuing misleading alerts to its customers. Over the Labor Day weekend, SDG&E issued alerts threatening a Stage Three emergency and rolling blackouts. According to CAISO these alerts were inaccurate and misleading. SDG&E is reviewing its reporting practices.

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5CfsgptvssZSki%27%40%3E%20bfem%5Ev>

### **Update: Mirant's 337 MW Contra Costa Gas-fired Unit 6 in California Restarted September 7**

The unit is running at reduced rate with 87 MW of capacity idled.  
Bloomberg News, 18:58 September 7, 2007

### **Update: Mirant's 337 MW Contra Costa Gas-fired Unit 7 in California Restarted September 7**

The unit is running at 100 percent of capacity.  
Bloomberg News, 18:58 September 7, 2007

### **Update: PG&E's 119 MW Belden Hydroelectric Unit in California Restarted September 7**

The unit had been shut on September 6.  
Bloomberg News, 19:12 September 7, 2007

### **Exelon's 866 MW Quad Cities Nuke Unit 1 in Illinois Shut September 8**

The unit was shut so that valve repairs could be performed on a steam line and part of a safety system. A representative of the company declined to comment as to when the unit would return to service.  
Bloomberg News, 11:58 September 10, 2007

### **Update: Exelon's 1,147 MW Peach Bottom Nuke Unit 2 in Pennsylvania Ramps up to 80 Percent of Capacity September 10**

According to the daily report of the Nuclear Regulatory Commission, the unit was operating at 80 percent of capacity by early morning on September 10.  
Bloomberg News, 10:00 September 10, 2007

### **TXU's 565 MW Monticello Coal-fired Unit 2 in Texas Restarted September 10**

According to state regulators, a condenser tube leak lead the company to shut the plant operated by Luminant September 7-8. According to a later filing with state regulators the unit began restart September 9.

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=97132>  
<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=97134>

## **Progress Energy Shuts 938 MW Brunswick Nuke Unit 1 in North Carolina September 8**

The unit was closed to be inspected for possible repairs on the service water system.

Bloomberg News, 10:35 September 10, 2007

## **TXU Shuts 575 MW Big Brown Coal-fired Unit 1 in Texas September 8**

According to a report filed with state regulators, the unit was shut to repair a possible generator malfunction.

According to a later filing with state regulators the unit is to begin restart September 10.

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=97183>

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=97185>

## **Dominion's 924 MW North Anna Nuke Unit 1 in Virginia Shut September 9**

Reuters, 10:54 September 10, 2007

## **Entergy's 778 MW Palisades Nuke Unit in Michigan Shut September 10**

Reuters, 10:54 September 10, 2007

## **Xcel's 540 MW Tolk Coal-fired Unit 2 in Texas Shut September 9**

Reuters, 10:54 September 10, 2007

## **Calpine's 286 MW Delta Gas-fired Unit in California Shut September 9**

Reuters, 10:54 September 10, 2007

## **Reliant's 775 MW Ormond Beach Gas-fired Unit 2 in California Shut September 7**

Reuters, 19:33 September 7, 2007

## **AES's 263 MW Redondo Beach Gas-fired Unit 7 in California Shut September 7**

Reuters, 19:33 September 7, 2007

## **ATCO's 368 MW Battle River Coal-fired Unit 5 in Alberta Shut September 6**

Reuters, 19:33 September 7, 2007

## **OPG's 490 MW Nanticoke Coal-fired Unit 6 in Ontario Shut September 10**

Reuters, 10:14 September 10, 2007

## ***Petroleum***

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### **Pemex Blames Sabotage for Explosions on Pipelines, September 10 – Domestic Market Primarily Affected**

At around 2:00 a.m., in what is believed to be sabotage, a series of six explosions damaged five pipelines owned by Pemex, the national oil company of Mexico. Both oil and natural gas pipelines were affected by the explosions. A spokesperson for Pemex stated that domestic supplies will mainly be affected and an analyst for the U.S. Energy Information Administration was quoted by Reuters as saying that "any impact on the U.S. would be relatively small."

<http://www.pemex.com/files/content/Bulletin104%20070910.pdf>

<http://www.pemex.com/files/content/Bulletin103%20070910.pdf>

Reuters, 11:49 September 10, 2007

Reuters, 10:27 September 10, 2007

### **ConocoPhillips Reports Process Upset at its 146,000 b/d Borger, Texas Refinery September 9**

According to a report filed with state regulators, the upset led to a release of particulate matter between approximately 2:00 p.m. and 9:45 p.m. local time.

Bloomberg News, 12:11 September 10, 2007

### **Valero Reports Unscheduled Maintenance at its 181,000 b/d Sunray, Texas Refinery September 7 and 9**

According to reports filed with state regulators, Valero's Sunray refinery experienced two flaring events. The event on September 7 lasted seven minutes and involved a "process malfunction." The refinery reported another "process malfunction" on September 9 which lasted approximately two and one half hours.

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=97176>

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=97187>

Reuters, 17:22 September 9, 2007

Bloomberg News, 02:47 September 9, 2007

### **Valero Reports Problem with FCC Unit at its 325,000 b/d Port Arthur, Texas Refinery September 7**

According to a report filed with state regulators, the incident occurred when a problem developed with the debutanizer. There was no impact on production from the incident.

Bloomberg News, 11:32 September 10, 2007

### **Update: ExxonMobil Restarts Gasoline Pipeline to Dallas Following Rupture on September 7**

A temporary fix allowed the company to restart the line on Saturday, September 8. The 8-inch line, which supplies gasoline to Dallas, was ruptured late the night before by a construction crew working in the area. The volume of gasoline spilled was unknown.

Reuters, 08:18 September 10, 2007

### **BP Shuts Hydrotreater at its 463,000 b/d Texas City, Texas Refinery September 7**

According to a report filed with state regulators, the company shut the catalytic feed hydrotreating unit when a malfunction developed late on September 7.

Reuters, 17:00 September 9, 2007

Bloomberg News, 10:19 September 10, 2007

### **Update: KinderMorgan to Fully Restore 164,000 b/d Wyoming-Illinois Crude Pipeline September 10**

KinderMorgan expected the 926-mile crude pipeline to be fully restored within the day. KinderMorgan was forced to shut down the pipeline due to a leak found outside Middletown, Missouri. The company is still cleaning up the 3,800 barrels of crude spilt.

[http://money.cnn.com/news/newsfeeds/articles/djf500/200709101108DOWJONESDJONLINE000374\\_FORTUNES.htm](http://money.cnn.com/news/newsfeeds/articles/djf500/200709101108DOWJONESDJONLINE000374_FORTUNES.htm)

### **4,000 Gallons of Gasoline Spilled at Plains All American Terminal in Martinez, California September 8**

According to a report filed with state regulators, the spill was contained by a dike. The cause of the event was unknown.

<http://www.oes.ca.gov/Operational/MALHaz.nsf/f1841a103c102734882563e200760c4a/b1ac115e1f2f045f88257350007ce656?OpenDocument>

Bloomberg News, 14:02 September 9, 2007

### **Alyeska to Correct Pipeline Vibration at Newly Rebuilt Pump Station in Alaska**

Alyeska has put in place measures to temporarily address the vibration and is working to establish a permanent solution. It is feared that vibration over long periods of time can cause pipeline ruptures.

<http://www.topix.net/content/ap/2007/09/alyeska-seeks-fix-to-pipeline-vibration-at-rebuilt-pump-station>

### **Husky Gets OK from Newfoundland to Expand White Rose Oilfield Production**

Husky gained provincial approval from Newfoundland and Labrador to develop an additional 24 million barrels from the off-shore White Rose oil project. The field currently produces 140,000 b/d.

<http://www.energycurrent.com/index.php?id=2&storyid=5101>

## **Sinclair Considers 45,000 b/d Increase at 70,000 b/d Tulsa, Oklahoma Refinery September 6**

Sinclair announced that it would invest \$1 billion to bring its Tulsa refinery's production up to 115,000 b/d by 2010.  
[http://www.ihl.com/articles/ap/2007/09/06/business/NA-FIN-US-Refinery-Expansion.php?WT.mc\\_id=rssap\\_news](http://www.ihl.com/articles/ap/2007/09/06/business/NA-FIN-US-Refinery-Expansion.php?WT.mc_id=rssap_news)

## **Shell to Pump 80,000 b/d from Western Siberia in 2007**

A partially owned subsidiary of Shell is expected to extract twice as much crude as it did last year.  
<http://www.platts.com/Oil/News/8247529.xml?p=Oil/News&sub=Oil>

## **Tribesmen Prevent Oil Production at Key Iraqi Oil Field, Work Suspended**

Local tribesmen in southern Iraq have prevented oil workers from performing their jobs. According to one Iraqi official, the production of the Majnoon Oil Field has been suspended for four weeks. The field had a daily production of 50,000 b/d.  
[http://online.wsj.com/article/SB118933567486421769.html?mod=googlenews\\_wsj](http://online.wsj.com/article/SB118933567486421769.html?mod=googlenews_wsj)

## **Crude Production Increases 42 Percent in Azerbaijan for 2007**

Comparing figures from January-August 2006 with the same period in 2007, Azeri crude production has increased from 432,430 b/d to 691,000 b/d. September production is expected to fall while new equipment is installed.  
<http://uk.reuters.com/article/oilRpt/idUKL1054771820070910>

## **Natural Gas**

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### **Emissions Event Reported at Lehman Compressor Station in Texas September 8**

According to a report file with state regulators, emissions began after a storm caused a power outage for the station.  
<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=97192>

### **Compressor Failure Causes Flaring at Tilden Gas Plant in Texas September 8**

<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=97180>

## **Other News**

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### **Propylene Unit Shut at ExxonMobil's Baytown, Texas Chemical Plant September 8**

According to a report filed with state regulators, a propylene unit was shut after plugging occurred. The event lasted approximately five hours.  
<http://www2.tceq.state.tx.us/ee/main/index.cfm?fuseaction=getDetails&target=97191>

## **Energy Prices**

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<b>U.S. Oil and Gas Prices</b> September 10, 2007			
	<b>Today</b>	<b>Week Ago</b>	<b>Year Ago</b>
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	76.29	74.16	66.31
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	5.53	5.49	5.31

Source: Reuters

### **U.S. Energy Secretary Bodman Encourages OPEC to Increase Production Quota September 10**

Reuters, 11:29 September 10, 2007

### **ExxonMobil Still Considering Mackenzie Pipeline Project – CEO**

<http://www.edmontonsun.com/Business/News/2007/09/08/4479554-sun.html>

[http://money.cnn.com/news/newsfeeds/articles/djf500/200709071746DOWJONESDIONLINE000888\\_FORTUNE5.htm](http://money.cnn.com/news/newsfeeds/articles/djf500/200709071746DOWJONESDIONLINE000888_FORTUNE5.htm)

### **DOE Researching Zero-Carbon Emission Coal-fired Power Plant**

<http://www.platts.com/Coal/News/6464004.xml?p=Coal/News&sub=Coal>

### **Exxon CEO Sees Energy Independence as Impossible**

<http://www.quickdfw.com/sharedcontent/dws/bus/stories/090807dnbustillerson.129b6a6.html#>

### **U.S. Forest Service Chief Sees Trees as Viable Alternative Energy Source**

<http://www.ksby.com/Global/story.asp?S=7044455>

### **Chevron's Gorgon LNG Project Receives Final Approval from Western Australia Government**

<http://www.marketwatch.com/news/story/chevrons-gorgon-lng-venture-clears/story.aspx?guid=%7B9B395B84-E698-436E-9D9C-FF4913545B22%7D>

### **Electrical Equipment Failure Knocks Out Power to 20,500 PG&E Customers in California September 9**

[http://www.marini.com/ci\\_6848516?source=rss](http://www.marini.com/ci_6848516?source=rss)

### **Nevada Environmental Commission Denies Request to Delay Permits for Three Coal-fired Power Plants**

Reuters, 21:35 September 7, 2007

### **Update: If Argentina Approves Clean-up Plan, Shell's Dock Sud Refinery Could Reopen – Argentine Official**

Reuters, 19:29 September 8, 2007

### **Kuwait Increases Security Measures at Oil Installations**

Reuters, 11:05 September 10, 2007

### **OPEC President: Oil Market Supplies Adequate No Need to Increase Output**

Bloomberg News, 08:33 September 10, 2007

Bloomberg News, 13:35 September 9, 2007

### **Update: Proposed Coos Bay 1 Bcf/d LNG Import Terminal in Oregon Files FERC Application**

The project also includes a proposed 230-mile pipeline to transport fuel throughout the Northwest.

<http://newsok.com/article/3118946/1189046633>

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## **Links**

***This Week in Petroleum*** from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

***Weekly Petroleum Status Report*** from EIA

[http://www.eia.doe.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

***Natural Gas Weekly Update*** from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

## **ENERGY ASSURANCE DAILY**

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<http://www.oe.netl.doe.gov/index.aspx>.

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